UNITED NATIONS

DP

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.
GENERAL

DP/CCF/BVI/1
7 July 1997

ORIGINAL: ENGLISH

Third regular session 1997
15-19 September 1997, New York
Item 6 of the provisional agenda
UNDP

UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

FIRST COUNTRY COOPERATION FRAMEWORK FOR THE BRITISH VIRGIN ISLANDS (1997-1999)

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INTRODUCTION

1. The first country cooperation Framework (CCF) for the British Virgin Islands is the result of a consultative process with the Government which culminated in a meeting between UNDP and government representatives in the British Virgin Islands at the end of 1996. The document reflects the consensus that emerged on the main strategic, substantive and operational aspects of the CCF. The present document describes UNDP plans for cooperation with the Government for the period 1997-1999.

2. The CCF has benefited from government policy statements and documents, including the budget speech delivered by the Minister of Finance, and the speech delivered by His Excellency the Governor, the British Virgin Islands Physical Development Plan (1996), the Poverty Profile of the British Virgin Islands (1995), the Country Paper on Education (1993), Gender-Based Indicators in the British Virgin Islands (1993), as well as economic analyses and periodic publications of the Caribbean Development Bank (CDB), the Eastern Caribbean Central Bank and the Organization of Eastern Caribbean States. Consultations were also held with United Nations agencies and the larger donor community.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. The British Virgin Islands, a dependent territory of the United Kingdom, covers an area of 154 sq km and has a coastline of 80 km. The population in 1995, was estimated at 18,305.

4. The British Virgin Islands is experiencing a period of prosperity with appreciable growth and success in its two main economic sectors: tourism and offshore finance. Tourism accounts for more than 55 per cent of all revenues accruing to the current account, and offshore financial services, with a register of 169,500 companies, accounts for 45 per cent. Per capita gross domestic product (GDP) is US$ 11,000, but there is wide disparity in the standard of living between different sectors of the society and between the islands.

5. The UNDP Human Development Report has not calculated the human development index (HDI) for the British Virgin Islands, but based on its social and economic statistics, the territory would fall within the human development average of 0.800 and above. This figure compares favourably with that of other eastern Caribbean countries with similar per capita gross national product (GNP) and with global and regional average rates for Latin America and the Caribbean of 0.758 and 0.822 respectively. Economic growth in the British Virgin Islands has resulted in significant improvements in education, health and general social well-being of the population.

6. Poverty reduction and sustainable livelihoods: Since 1980, the population has grown at a rate of 4 to 5 per cent annually. Migration accounts for 80 per cent of the population growth of the 1980s; a result of which is that more than half of the population consists of immigrants. The consequences of

the rapid population expansion are rising demands for housing and social services which the country cannot meet and growing levels of poverty, crime and domestic violence. A poverty study undertaken in 1993 indicated that nationals suffered higher incidences of poverty than the immigrant population. The study showed that over 21 per cent of households headed by nationals lived below the poverty level as opposed to 15 per cent of immigrant households. One explanation is that 23.1 per cent of the national households were headed by the elderly with little or no income, while similar households for immigrants totalled only 4.6 per cent. It is important to note, however, that the highest levels of poverty nationally were among immigrant women and children.

7. Gender: The United Nations Convention on the Elimination of all Forms of Discrimination Against Women was extended to the British Virgin Islands by the United Kingdom in 1986. The Government subsequently established a Women's Desk (1992) to act as an advisory body to government departments and ministries on women's affairs and to organize programmes in collaboration with public and private sector agencies. One of its major outputs was the National Report on the Status of Women in the British Virgin Islands, prepared for the Fourth World Conference for Women (Beijing 1995). While women have made great strides, more needs to be done. In the 1995 general election, two women were among those elected for the 13 contested seats. The Executive Council includes only one woman in the post of Attorney-General. Violence against women has begun to surface as a major problem. Future strategies addressing emerging challenges to sustainable human development (SHD) need to be informed by a comprehensive analysis of the economic, social, political and legal situation of women in the British Virgin Islands.

8. Governance: One of the issues the Government wishes to address is equity and the promotion of a social system that accords all segments of the population equal access to income, education, health, basic social services and, in general, a decent standard of living commensurate with the GDP of the country. The Government is seeking to enhance participation in the democratic process through consensus-building mechanisms.

9. Environment: Economic and population growth have placed considerable pressure on the territory's natural resources. This is particularly evident in the coastal zones where resources such as beach sand have been depleted for construction purposes. Coral reefs have come under increasing threat from ship anchors, overfishing and sedimentation from land-based runoff and dredging. Mangroves have been removed for reclamation and the creation of flat land, particularly for tourism development.

10. Government goals and priorities: The Government's overall development objective is to achieve higher levels of human development within an integrated framework designed to realize economic, social, environmental and population objectives simultaneously. The medium and long-term goals in support of the overall objectives are as follows: (a) to promote the British Virgin Islands as a world-class tourism destination with an optimal combination of land and marine-based overnight visitors and a selective up-market cruise ship industry; (b) to develop the offshore sector into a first-class globally recognized international financial sector; (c) to strengthen and balance the country's human resource base through appropriate education and training on a continuous

basis; (d) to maintain a rating similar to the HDI of middle-range developing countries; (e) to develop the British Virgin Islands into a harmonious and prosperous community of international migrants and nationals through the integrated management of social and economic issues, including those related to population, health, education, women and children, recreation and sport, and social welfare; (f) to preserve and manage the natural environment with the aid of a progressive legal and regulatory framework; and (g) to enact the relevant regulations and put in place enabling policies and strategies to facilitate the achievement of the development objectives.

II. RESULTS AND LESSONS OF PAST COOPERATION

11. The third country programme for the British Virgin Islands concentrated on policy advice and institutional support for the development of a comprehensive sustainable development framework. As noted at the mid-term review of the country programme, this cooperation fostered a holistic approach to development planning. UNDP collaborated with the United Nations Centre for Human Settlements (UNCHS) and the United Nations Volunteer (UNV) programme in providing technical assistance for the preparation of an Integrated Development Planning Strategy (IDPS) in support of the Government's objectives. The strategy, which was completed in 1996, comprises physical, social, economic and environmental plans. Other key outputs are a conceptual framework and a detailed methodology for integrated planning and the institutional strengthening of government agencies responsible for development planning and management. UNDP, in collaboration with UNV, has continued to provide technical support through the Caribbean Human Settlements Programme to a number of planning and resettlement initiatives to facilitate implementation of the IDPS.

12. During the course of the country programme, the United Nations Environment Programme (UNEP) supported a coastal zone inventory project that produced an atlas of coastal habitats. As a result of the project, a study of the management options for the exclusive fishing zone of the British Virgin Islands was recently completed. Assistance in the area of environmental protection and management was received from UNDP Capacity 21 project, the global environment fund (GEF) and the GEF small grants programme.

13. The United Nations system provided additional assistance in the areas of economic planning, family planning and family life education, advocacy for children's rights and early childhood and primary education, and the introduction of anti-drug-related concepts into the primary education curriculum.

14. Perhaps the most important lesson learned during the course of developing the IDPS is that participatory multisectoral planning is a complex and difficult process that requires considerable human and financial resources and the full commitment of all parties in order to achieve the desired results. Planning capacity in the country has been strengthened through inputs from this programme and the process of inter-ministerial consultations, and dialogue among the various stakeholders has enhanced the Government's ability to implement the IDPS successfully. The use of UNV specialists has yielded positive results and will be continued. Finally, the allocation of very limited United Nations resources

in strategic interventions has contributed to the creation of an enabling environment for SHD.

III. PROPOSED STRATEGY AND THEMATIC AREAS

15. In view of the fact that the British Virgin Islands does not receive target for resource assignment from the core (TRAC) funds, it will be important to select strategic interventions in promoting SHD, and to mobilize resources for these interventions under the CCF. It is proposed that UNDP support will focus on: (a) poverty eradication, especially among women and children; and (b) environmental protection and management.

A. Poverty eradication

16. The World Summit on Social Development (Copenhagen, 1995) and the Fourth World Conference for Women (Beijing 1995) have mandated UNDP to support the follow-up to the respective plans of action, emphasizing poverty eradication. The first CCF for the British Virgin Islands will contribute to fulfilling these mandates, and to achieving related Government goals.

17. Increasing poverty, especially among immigrant women and children, is beginning to emerge as one of the most serious social issues. The Government has not yet developed an adequate policy framework to deal with this issue and its immediate concern is to prepare strategies that address social problems in a comprehensive and integrated manner. A major constraint is the lack of baseline data and of an analysis of the nature and level of poverty in the country. It is proposed that, in the first instance, UNDP support be directed at national poverty mapping with special attention to gender, age and nationality. A national survey and situational analysis of the conditions of women and children, including the legal constraints faced by (immigrant) women, is also proposed in order to prevent a possible long-term feminization of poverty. Once the baseline data are available, projects aimed at enlarging economic opportunities of the poor, especially women, can be designed.

18. Expected outputs under this component of the CCF are the existence of a poverty map with gender disaggregated data and institutional capacity and infrastructure to maintain accurate data and to monitor developments, as well as project proposals aimed at the socioeconomic and political advancement of women. The success will be measured by the extent to which policies, programmes and projects are informed by the database and whether funds have been raised for concrete projects. Progress will be reviewed mid-term and at the end of the first CCF.

B. Environmental protection and management

19. The United Nations Global Conference on the Sustainable Development of Small Island Developing States (Bridgetown, 1994) provided the British Virgin Islands with a unique opportunity to participate in deliberations with the international community on the issues of socioeconomic development and the

preservation of the environment. The Government has subsequently advocated a sustainable development concept that extends beyond the preservation of natural resources.

20. Given the interrelation between the economic success of the British Virgin Islands and its pristine natural environment, it is important to find a mutually supportive balance between the natural environment and economic activities. The IDPS programme launched under the third country programme provides a sound basis for sustainable use and management of the country's resources. Hence, it is proposed that UNDP support will be focused on the implementation of the IDPS. More concretely, UNDP, in collaboration with UNCHS, will assist the Government to mobilize technical and financial resources for the implementation of the IDPS. A significant component of the strategy is a National Physical Development Plan. It also includes social, economic and environmental plans that are expected to be completed in 1997. Linkages will be sought with the ongoing Capacity 21 project and the regional projects that address environmental and natural resource management. A possible approach would be to synchronize the activities planned under the Capacity 21 project with those of the IDPS, for example, by convening joint planning workshops. UNDP will also cooperate with the Government to access other environmental funds such as the GEF small grants programme with a view to enhancing non-governmental organizations and community-level capacity in integrated environmental and natural resources management.

21. The expected outputs under this component of the CCF are the availability of resources to implement the IDPS, and its link with other activities in the area of environmental and natural resource management which aim at enhancing civil society's participation in related decision-making processes. Success will be measured by the extent to which the IDPS is being implemented with the active involvement of civil society, and by the extent to which it is informed by the available gender statistics and analysis of poverty. Progress will be reviewed mid-term and at the end of the first CCF.

IV. MANAGEMENT ARRANGEMENTS

Execution and implementation

22. Due to the complex nature of the problem, involving migration issues, population factors, poverty reduction and the proposed focus on gender, the implementation of the CCF will require close collaboration with the United Nations system agencies including the International Maritime Organization, United Nations Population Fund (UNFPA), the United Nations Development Fund for Women, United Nations Children's Fund and regional institutions such as the University of the West Indies, CDB and the Organization of Eastern Caribbean States (OECS). National execution will be pursued, particularly with regard to interventions that can be characterized as upstream, as there is national capacity to articulate some of the policies and related strategies that will be required.

Monitoring, review and reporting

23. The CCF covers complex and integrated issues. Hence, it is proposed that a technical advisory committee be established to guide the process and to ensure harmonization. A steering committee will be set up to direct programme implementation to ensure that activities are integrated and interlinked. The CCF will be subject to periodic reviews, including systematic annual reviews to be held between UNDP, executing agents and government and civil society organizations. A triennial review of the progress will be undertaken with full involvement of all partners.

Resource mobilization

24. The British Virgin Islands attained NCC status at the beginning of the previous programme cycle. No TRAC resources will be allocated to the CCF and the programme will depend heavily on government cost-sharing. The strategy for resource mobilization will consist of the following elements: (a) collaboration with the Government in the preparation of sound proposals for funding with government and third party cost-sharing; (b) identifying opportunities to access UNDP-administered funds; and (c) coordination of donor inputs and joint programming. As a result of its status as a dependent territory of the United Kingdom, the British Virgin Islands is eligible for development assistance under the European Union programme of support for dependent territories. In this context, areas for possible collaboration between UNDP, the European Union and the Government will be determined when this assistance is approved. Furthermore, despite the cessation of United Kingdom capital assistance to the country, the British Development Division has indicated that there will be scope for collaboration with UNDP, through its technical cooperation programme in the new programme cycle. Also, efforts will be made to assist the British Virgin Islands to benefit from activities proposed under the UNDP framework for regional cooperation for Latin America and the Caribbean and under the subregional multi-island programme implemented by the OECS, especially in the areas of poverty, environment and gender.

25. The resource mobilization target table in the annex reflects the total core and non-core resources expected to be available to support the CCF.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR THE BRITISH VIRGIN ISLANDS (1997-1999)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	(3)	amount shown represents pending government cost-sharing contribution.
TRAC 1.1.1	-	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	-	
Subtotal	3[a]	
NON-CORE FUNDS		
Government cost-sharing	300	
Sustainable development funds	87	GEF
Third-party cost-sharing	-	
Funds, trust funds and other	-	
Subtotal	387	
GRAND TOTAL	384[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; TCDC = technical cooperation among developing countries; SPPD = support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.